



FISCAL MEMORANDUM

HB 2238 - SB 2197

February 24, 2022

SUMMARY OF BILL AS AMENDED (013955): Authorizes a manufacturer of alcoholic beverages to enter into an “alternating proprietorship agreement” with one or more manufacturers for the purpose of alternating between the manufacturers the use of a bonded or general premises for the purpose of manufacturing alcoholic beverages, including high alcohol content beer. Requires that manufacturers of alcoholic beverages who enter into an “alternating proprietorship agreement” not be owned by the same individual, entity, or by “substantially similar ownership.”

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Pursuant to the proposed legislation, each manufacturer that is a party to an alternating proprietorship agreement must maintain a room or separate area that is exclusively occupied by the manufacturer and is not alternated with another manufacturer.
- Pursuant to the proposed legislation, each manufacturer seeking approval for an alternating proprietorship agreement must submit to the Alcoholic Beverage Commission (ABC) a description of the areas and resources that will alternate between manufacturers, diagrams of the parts of the general premise that will not be altered, a copy of the written alternating proprietorship between manufacturers, and an acknowledgement from each manufacturer that accurate records will be maintained.
- The legislation allows only one manufacturer, who must be the property owner or primary lessee, to exercise the retail rights and privileges provided.
- ABC will be able to implement the requirements of ensuring manufacturers comply with this legislation within existing resources.
- Allowing manufacturers to enter into an alternating proprietorship agreement will not affect the revenue raised from the taxes and fees the manufacturers are required to pay; therefore, the fiscal impact to state and local government is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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